
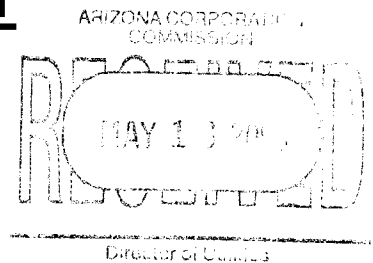


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-01303A Arizona American Water Company 19820 N 7th St., Suite 201 Phoenix, AZ 85024	SEWER	
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ANNUAL REPORT



FOR YEAR ENDING

12-31-2002

FOR COMMISSION USE

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COMPANY INFORMATION

Company Name (Business Name) Arizona-American Water Company (Sewer)			
Mailing Address 19820 N 7th St., Suite 201			
(Street)			
Phoenix	AZ	85024	
(City)	(State)	(Zip)	
(623) 445-2400	(623) 445-2451	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
Local Office Mailing Address 19820 N 7th St., Suite 201			
(Street)			
Phoenix	AZ	85024	
(City)	(State)	(Zip)	
(623) 445-2400	(623) 445-2451	N/A	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

MANAGEMENT INFORMATION

Management Contact: Ray L. Jones			
(Name)		President (Title)	
19820 N 7th St., Suite 201	Phoenix	AZ	85024
(Street)	(City)	(State)	(Zip)
(623) 445-2400	(623) 445-2451	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
On Site Manager: Ray L. Jones			
(Name)		T (Title)	
19820 N 7th St., Suite 201	Phoenix	AZ	85024
(Street)	(City)	(State)	(Zip)
(623) 445-2400	(623) 445-2451	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

Statutory Agent: <u>Corporation Service Company</u>			
(Name)			
818 East Osborn Road	Phoenix	AZ	85014
(Street)	(City)	(State)	(Zip)
(800) 927-9800	N/A	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Patricia A. Lyman</u>			
(Name)			
303 H Street, Suite 250	Chula Vista	CA	91910
(Street)	(City)	(State)	(Zip)
(619) 409-7723	N/A	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co Op (A) |
| <input type="checkbox"/> Receivership R | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Arizona-American Water Company (Sewer)

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	126,451		126,451
352	Franchises	257,032		257,032
353	Land and Land Rights	906,191	15,448	890,743
354	Structures and Improvements	5,659,657	1,857,502	3,802,155
355	Power Generation Equipment			0
360	Collection Sewers - Force	2,060,504	1,896,819	163,685
361	Collection Sewers - Gravity	36,891,152	11,707,535	25,183,617
362	Special Collecting Structures	2,800,698	232,111	2,568,587
363	Services to Customers	6,826,182	132,156	6,694,026
364	Flow Measuring Devices	4,940	134	4,806
365	Flow Measuring Installations			0
370	Receiving Wells			0
371	Pumping Equip	6,208	29	6,179
380	Treatment and Disposal Equip.	31,658,814	7,690,749	23,968,065
381	Plant Sewer			0
382	Outfall Sewer Lines	113,432	72,961	40,471
389	Other Plant and Misc. Equipment	15,678	44,157	-28,479
390	Office Furniture and Equipment	262,666	100,749	161,917
391	Transportation Equipment	237,063	131,746	105,317
392	Stores Equipment	11,270	441	10,829
393	Tools, Shop and Garage Equipment	193,509	2,847	190,662
394	Laboratory Equipment	93,155	16,951	76,204
395	Power Operated Equipment	12,955	2,305	10,650
396	Communication Equipment	320,715	32,919	287,796
397	Misc Equipment	90,124	3,583	86,541
398	Other Tangible Plant	60,229	1,014	59,215
	TOTALS	88,608,625	23,942,156	64,666,469

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	126,451	*	
352	Franchises	257,032	*	
353	Land and Land Rights	906,191	*	15,448
354	Structures and Improvements	5,659,657	*	164,616
355	Power Generation Equipment		*	
360	Collection Sewers - Force	2,060,504	*	42,664
361	Collection Sewers - Gravity	36,891,152	*	685,653
362	Special Collecting Structures	2,800,698	*	232,111
363	Services to Customers	6,826,182	*	132,156
364	Flow Measuring Devices	4,940	*	134
365	Flow Measuring Installations		*	
370	Receiving Wells		*	
371	Pumping Equip	6,208	*	29
380	Treatment and Disposal Equip.	31,658,814	*	1,545,090
381	Plant Sewer		*	
382	Outfall Sewer Lines	113,432	*	4,740
389	Other Plant and Misc. Equipment	15,678	*	0
390	Office Furniture and Equipment	262,666	*	12,282
391	Transportation Equipment	237,063	*	59,266
392	Stores Equipment	11,270	*	441
393	Tools, Shop and Garage Equipment	193,509	*	12,999
394	Laboratory Equipment	93,155	*	3,453
395	Power Operated Equipment	12,955	*	650
396	Communication Equipment	320,715	*	32,919
397	Misc Equipment	90,124	*	3,583
398	Other Tangible Plant	60,229	*	1,014
	TOTALS	88,608,625	0.00%	2,949,248

* See Attached for depreciation rates

COMPANY NAME

Arizona-American Water Company (Sewer)

Depreciation Rates - Sewer

Acct. No.	DESCRIPTION	Sun City	Sun City West	Mohave	Treat Co	Dist Co
351	Organization					
352	Franchises					
353	Land and Land Rights				4.59%	
354.2	Structures and Improvements	2.50%	5.00%			
354.5		2.00%	1.67%		1.67%	
355	Power Generation Equipment					
360	Collection Sewers - Force	2.07%	2.07%			
361	Collection Sewers - Gravity	2.04%	2.04%	2.04%	2.04%	2.04%
362	Special Collecting Structures					
363	Services to Customers	2.04%	2.04%	2.04%	2.04%	2.04%
364	Flow Measuring Devices				5.42%	5.42%
365	Flow Measuring Installations					
370	Receiving Wells					
371			5.42%		5.42%	
380	Treatment and Disposal Equip.	5.00%	5.00%		5.00%	
381	Plant Sewer					
382	Outfall Sewer Lines					
389	Other Plant and Misc. Equipment					
390	Office Furniture and Equipment	4.59%	4.59%		4.59%	
391	Transportation Equipment	25.00%	25.00%			
392			3.91%			
393	Tools, Shop and Garage Equipment	4.47%	4.47%			
394	Laboratory Equipment	3.71%	3.71%		3.71%	
395	Power Operated Equipment		5.02%		5.88%	
396			10.30%			
397		5.10%	5.10%			
398	Other Tangible Plant					

BALANCE SHEET (water and sewer)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$42,163	\$1,760,355
132	Special Deposits	400	4,071
135	Temporary Cash Investments		
141	Customer Accounts Receivable	257,371	2,737,010
146	Notes/Receivables from Associated Comp	155	0
151	Plant Material and Supplies	42,023	89,247
162	Prepayments	83,005	250,697
174	Miscellaneous Current and Accrued Asset	2,192,417	84,550,730
	TOTAL CURRENT AND ACCRUED ASSE	\$2,617,534	\$89,392,110
	FIXED ASSETS		
101	Utility Plant in Service	\$28,357,688	\$337,587,883
103	Property Held for Future Use	138,682	138,682
105	Construction Work in Progress	1,563,540	13,513,282
108	Accumulated Depreciation - Utility Plant	-6,433,989	-71,181,624
121	Non-Utility Property	140,271	140,271
122	Accumulated Depreciation - Non Utility	-49,427	-49,427
	TOTAL FIXED ASSETS	\$23,716,765	\$280,149,067
	TOTAL ASSETS	\$26,334,299	\$369,541,177

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME	Arizona-American Water Company (Sewer)
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Breakdown of Certain Balance Sheet Accounts Between Water and Sewer

	FIXED ASSETS	Water	Sewer	Total
101	Utility Plant in Service	\$248,979,255	\$88,608,626	\$337,587,881
103	Property Held for Future Use	138,682	0	\$138,682
105	Construction Work in Progress	13,507,085	6,196	\$13,513,281
108	Accumulated Depreciation - Utility Plant	-47,239,470	-23,942,155	-\$71,181,625
121	Non-Utility Property	140,271	0	\$140,271
122	Accumulated Depreciation - Non Utility	-49,427	0	-\$49,427
	TOTAL FIXED ASSETS	\$215,476,396	\$64,672,667	\$280,149,063

BALANCE SHEET (CONTINUED) (water and sewer)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$111,014	\$811,773
232	Notes Payable (Current Portion)	29,373	31,276
234	Notes/Accounts Payable to Associated Companies	1,452,349	12,308,261
235	Customer Deposits	48	162,467
236	Accrued Taxes	-119,241	488,530
237	Accrued Interest	168,168	1,258,145
241	Miscellaneous Current and Accrued Liabilities	293,596	6,532,468
	TOTAL CURRENT LIABILITIES	\$1,935,307	\$21,592,920
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$8,272,433	\$173,824,405
	DEFERRED CREDITS		
		\$	0
252	Advances in Aid of Construction	257,158	49,213,869
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits	82,426	78,706
271	Contributions in Aid of Construction	10,576,414	10,628,363
272	Less: Amortization of Contributions	-2,523,820	-3,046,610
281	Accumulated Deferred Income Tax	1,821,608	1,812,119
	TOTAL DEFERRED CREDITS	\$10,213,786	\$58,686,447
	TOTAL LIABILITIES	\$20,421,526	\$254,103,772
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$522,880	\$522,880
211	Other Paid In Capital	3,580,070	114,468,228
215	Retained Earnings	1,809,824	446,297
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$5,912,774	\$115,437,405
	TOTAL LIABILITIES AND CAPITAL	\$26,334,300	\$369,541,177

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$0	\$10,720,408
522	Measured Revenues		
536	Other Wastewater Revenues	0	877,526
	TOTAL REVENUES	\$0	\$11,597,934
	OPERATING EXPENSES		
701	Salaries and Wages		\$731,473
710	Purchased Wasterwater Treatment		
711	Sludge Removal Expense		2,891,584
715	Purchased Power		300,790
716	Fuel for Power Production		
718	Chemicals		272,158
720	Materials and Supplies		101,512
731	Contractual Services - Professional		67,035
735	Contractual Services - Testing		38,025
740	Contractual Services - Other		
750	Rents		51,268
755	Insurance Expense		101,418
765	Regulatory Commission Expense - Rate Case		
775	Miscellaneous Expense		515,185
403	Depreciation Expense		2,949,248
408	Taxes Other Than Income		56,388
408.11	Property Taxes		485,376
409	Income Tax		0
	TOTAL OPERATING EXPENSES	\$0	\$8,561,460
	OPERATING INCOME/(LOSS)	\$0	\$3,036,474
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$0	
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	0	
427	Interest Expense	0	267,921
	TOTAL OTHER INCOME/(EXPENSE)	\$0	\$267,921
	NET INCOME/(LOSS)	\$0	\$3,304,395

COMPANY NAME

Arizona-American Water Company (Sewer)

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued		N/A		
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

n/a

Meter Deposits Refunded During the Test Year

n/a

COMPANY NAME

Arizona-American Water Company - Sun City (Sewer)

WATER COMPANY PLANT DESCRIPTION**TREATMENT FACILITY**

TYPE OF TREATMENT (Extended Aerations, Step Aerations, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	NONE
DESIGN CAPACITY OF PLANT (gallons Per Day)	N/A

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity(gals)
Baptist Village L.S. 11577 W. Peoria Ave	2	7.5	100	1000
Youngstown L.S. 11602 W. Peoria Ave	2	23	175	7900
111th Ave L.S. 111th Avenue at Olive	2	3	160	1761
Coyote Lakes 17280 N 115th Ave	2	40	500	15550
Citrus PT L.S. 16401 N 115th Ave	2	20	500	5500
Paradise Resort L.S. 10950 W. Union Hills	2	7.5	700	4228

FORCE MAINS

Size	Material	Length (feet)
4 inch	Various	2,983
6 inch	Various	2,037
10 inch	Various	14,121
12 inch	Various	10,410
	Various	

MANHOLES**CLEANOUTS**

Type	Quantity	Quantity
Standard	4,388	733
Drop		

COMPANY NAME	Arizona-American Water Company - Sun City West (Sewer)
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WATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aerations, Step Aerations, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Activated Sludge, Nitrification/Denitrificaiton, Filtration
DESIGN CAPACITY OF PLANT (gallons Per Day)	3,140,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity(gals)
Bell Rd L.S. Bell Rd. & El Mirage	4	250	2,800	124,000

FORCE MAINS

Size	Material	Length (feet)
18 inch	ACP	18,578

MANHOLES

CLEANOUTS

Type	Quantity	Quantity
Standard	2,655	410
Drop		

COMPANY NAME	Arizona-American Water Company - Mohave (Sewer)
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WATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aerations, Step Aerations, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended aeration
DESIGN CAPACITY OF PLANT (gallons Per Day)	250,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity(gals)
Mountain View Drive	2	7.5	117	2,100
Lago Cove	2	3.0	17	1,000

FORCE MAINS

Size	Material	Length (feet)
4 inch	PVC	3,000
6 inch		

MANHOLES

CLEANOUTS

Type	Quantity	Quantity
Standard	340	14
Drop	2	

COMPANY NAME	Arizona-American Water Company - Treatco (Sewer)
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WATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aerations, Step Aerations, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended aeration with Anoxic Zone and Microfiltration
DESIGN CAPACITY OF PLANT (gallons Per Day)	1,500,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity(gals)
Influent Lift Station	2	30	2,932	9,700
Reject Water Lift Station	2	20	1,400	6,500

FORCE MAINS

Size	Material	Length (feet)
4 inch	n/a	n/a
6 inch	n/a	n/a

MANHOLES

CLEANOUTS

Type	Quantity	Quantity
Standard	244	n/a
Drop		

COMPANY NAME

Arizona-American Water Company - Distco (Sewer)

WATER COMPANY PLANT DESCRIPTION**TREATMENT FACILITY**

TYPE OF TREATMENT (Extended Aerations, Step Aerations, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	NONE
DESIGN CAPACITY OF PLANT (gallons Per Day)	N/A

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity(gals)
N/A				

FORCE MAINS

Size	Material	Length (feet)
4 inch	N/A	
6 inch	N/A	

MANHOLES**CLEANOUTS**

Type	Quantity	Quantity
Standard	878	96
Drop		

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	Various	122
6	Various	9,795
8	Various	1,165,936
10	Various	64,606
12	Various	31,497
15	Various	16,282
18	Various	10,442
21	Various	8,053
27	Various	1,310
30	Various	3,247
33	Various	839
36	Various	865
Undetermined	Various	84,488

SERVICES

Size (in inches)	Material	Quantity
4	n/a	n/a
6	n/a	n/a
8	n/a	n/a
12	n/a	n/a
15	n/a	n/a

For the following three items, list the utility owned assets in each category.

SOLIDS PROCESSING AND HANDLING FACILITIES	N/A
DISINFECTION EQUIPMENT (chlorinator Ultra-Violet, Etc.)	N/A
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences Etc)	N/A
OTHER Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.	99th Avenue metering station, various tools and equipment asociated with wastewater collection

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
4	Various	974
6	Various	1,841
8	Various	820,857
10	Various	22,964
12	Various	17,126
15	Various	20,090
18	Various	19,639
21	Various	5,934
24	Various	2,240
30	Various	-
33	Various	-
36	Various	2,624
Undetermined	Various	6,816

SERVICES

Size (in inches)	Material	Quantity
4	n/a	n/a
6	n/a	n/a
8	n/a	n/a
12	n/a	n/a
15	n/a	n/a

For the following three items, list the utility owned assets in each category.

SOLIDS PROCESSING AND HANDLING FACILITIES	Aerobic Digesters (3), surface disposal on-site
DISINFECTION EQUIPMENT (chlorinator Ultra-Violet, Etc.)	Hypochlorite injections at filter effluent
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Rapid sand filters
STRUCTURES (Buildings, Fences Etc)	N/A
OTHER Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.	Various tools and equipment associated with wastewater collection

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
4	n/a	n/a
6	PVC	201
8	PVC	84,861
10	PVC	7,426
12	PVC	12,300
15	PVC	6,086
18	n/a	n/a
21	n/a	n/a
24	n/a	n/a
30	n/a	n/a

SERVICES

Size (in inches)	Material	Quantity
4	PVC	1435
6	n/a	n/a
8	PVC	2
12	n/a	n/a
15	n/a	n/a

For the following three items, list the utility owned assets in each category.

SOLIDS PROCESSING AND HANDLING FACILITIES	N/A
DISINFECTION EQUIPMENT (chlorinator Ultra-Violet, Etc.)	Chlorinator
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Slow sand filtration
STRUCTURES (Buildings, Fences Etc)	600' chain link fence, building over aeration plant, blower building with lab
OTHER Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.	150 KW Cat gen-set, 24 hr turbidity meter, miscellaneous lab equipment

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	n/a	n/a
6	n/a	n/a
8	PVC	17,045
10	PVC	13,130
12	PVC	12,134
15	n/a	n/a
18	PVC	9,933
21	PVC	2,088
24	PVC	1,070
30	n/a	n/a
Undetermined	PVC	22,224

SERVICES

Size (in inches)	Material	Quantity
4	n/a	n/a
6	n/a	n/a
8	n/a	n/a
12	n/a	n/a
15	n/a	n/a

For the following three items, list the utility owned assets in each category.

SOLIDS PROCESSING AND HANDLING FACILITIES	One belt filter press, 1.5 meter belt
DISINFECTION EQUIPMENT (chlorinator Ultra-Violet, Etc.)	Chlorine (NaOC1) injection with chlorine contact chamber
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Zenon Zee-Weed 500 microfiltration system
STRUCTURES (Buildings, Fences Etc)	Common administration building shared with water plant, headworks building, process building, solids handling building, perimeter wall. One 1,000,000 gallon non-potable/reclaimed water storage reservoir
OTHER Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.	Various tools and equipment associated with wastewater treatment. One 2,000 kW generator.

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	n/a	n/a
6	PVC	467
8	Various	159,169
10	n/a	n/a
12	n/a	n/a
15	n/a	n/a
18	n/a	n/a
21	n/a	n/a
24	n/a	n/a
30	n/a	n/a
Undetermined	Various	75,357

SERVICES

Size (in inches)	Material	Quantity
4	n/a	n/a
6	n/a	n/a
8	n/a	n/a
12	n/a	n/a
15	n/a	n/a

For the following three items, list the utility owned assets in each category.

SOLIDS PROCESSING AND HANDLING FACILITIES	N/A
DISINFECTION EQUIPMENT (chlorinator Ultra-Violet, Etc.)	N/A
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences Etc)	N/A
OTHER Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.	Various tools and equipment associated with wastewater collection

COMPANY NAME

Arizona American Water Company - Sun City (Sewer)

WASTEWATER FLOWS

MONTH/YEAR	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW *	SEWAGE FLOW ON PEAK DAY
JANUARY	N/A	143.349	4.985
FEBRUARY	N/A	128.837	5.285
MARCH	N/A	145.174	5.237
APRIL	N/A	117.033	4.158
MAY	N/A	98.875	3.969
JUNE	N/A	104.436	5.222
JULY	N/A	118.147	5.338
AUGUST	N/A	108.715	4.861
SEPTEMBER	N/A	126.404	4.779
OCTOBER	N/A	115.018	4.588
NOVEMBER	N/A	93.886	3.924
DECEMBER	N/A	112.378	4.659
TOTAL		1,412.252	57.005

*The information provided for January include the data from Citizens for delivery from January 1-14th, 2002

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	N/A
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	100339
Groundwater Permit Numbers	N/A
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A

COMPANY NAME

Arizona American Water Company - Sun City West (Sewer)

WASTEWATER FLOWS

MONTH/YEAR	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW *	SEWAGE FLOW ON PEAK DAY
JANUARY	N/A	86.364	4.037
FEBRUARY	N/A	79.340	3.132
MARCH	N/A	87.739	3.232
APRIL	N/A	80.218	3.013
MAY	N/A	72.362	2.671
JUNE	N/A	63.966	2.432
JULY	N/A	60.661	2.161
AUGUST	N/A	59.719	2.741
SEPTEMBER	N/A	60.908	2.318
OCTOBER	N/A	69.189	2.725
NOVEMBER	N/A	72.955	2.887
DECEMBER	N/A	75.945	2.697
TOTAL		869.366	34.046

*The information provided for January include the data from Citizens for delivery from January 1-14th, 2002

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Ground Water Recharge
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	102667
Groundwater Permit Numbers	N/A
ADEQ Aquifer Protection Permit Number	P-102667
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A

COMPANY NAME

Arizona American Water Company - Mohave (Sewer)

WASTEWATER FLOWS

MONTH/YEAR	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
JANUARY	N/A	2.313	0.084
FEBRUARY	N/A	2.130	0.087
MARCH	N/A	2.656	0.104
APRIL	N/A	2.754	0.102
MAY	N/A	2.743	0.099
JUNE	N/A	2.593	0.097
JULY	N/A	2.610	0.101
AUGUST	N/A	2.443	0.091
SEPTEMBER	N/A	2.628	0.103
OCTOBER	N/A	2.627	0.100
NOVEMBER	N/A	2.724	0.114
DECEMBER	N/A	2.783	0.112
TOTAL		31.004	1.194

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Re-use
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	38-158
Groundwater Permit Numbers	N/A
ADEQ Aquifer Protection Permit Number	P102181
ADEQ Reuse Permit Number	R102181
EPA NPDES Permit Number	N/A

COMPANY NAME

Arizona American Water Company - Treatco (Sewer)

WASTEWATER FLOWS

MONTH/YEAR	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
JANUARY	N/A	16.520	0.862
FEBRUARY	N/A	14.236	0.877
MARCH	N/A	16.736	0.812
APRIL	N/A	16.218	0.829
MAY	N/A	16.745	1.333
JUNE	N/A	17.652	1.017
JULY	N/A	17.468	0.880
AUGUST	N/A	19.581	0.873
SEPTEMBER	N/A	19.470	1.572
OCTOBER	N/A	21.167	1.165
NOVEMBER	N/A	24.443	1.238
DECEMBER	N/A	20.334	0.967
TOTAL		220.570	12.425

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse and recharge
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	103259
Groundwater Permit Numbers	N/A
ADEQ Aquifer Protection Permit Number	P-103259
ADEQ Reuse Permit Number	R-103259
EPA NPDES Permit Number	N/A

COMPANY NAME

Arizona American Water Company - Distco (Sewer)

WASTEWATER FLOWS

MONTH/YEAR	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW *	SEWAGE FLOW ON PEAK DAY *
JANUARY	N/A	16.520	0.862
FEBRUARY	N/A	14.236	0.877
MARCH	N/A	16.736	0.812
APRIL	N/A	16.218	0.829
MAY	N/A	16.745	1.333
JUNE	N/A	17.652	1.017
JULY	N/A	17.468	0.880
AUGUST	N/A	19.581	0.873
SEPTEMBER	N/A	19.470	1.572
OCTOBER	N/A	21.167	1.165
NOVEMBER	N/A	24.443	1.238
DECEMBER	N/A	20.334	0.967
TOTAL		220.570	12.425

*The information provided for January include the data from Citizens for delivery from January 1-14th, 2002

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse and recharge
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	103259
Groundwater Permit Numbers	N/A
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A

STATISTICAL INFORMATION

Total number of customers	40,734
Total number of gallons treated	2,312.624 gallons

COMPANY NAME

ARIZONA-AMERICAN WATER COMPANY

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported n/aEstimated or Actual Federal Tax Liability n/aState Taxable Income Reported n/aEstimated or Actual State Tax Liability n/a

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances n/aAmount of Gross-Up Tax Collected n/aTotal Grossed-Up Contributions/Advances n/a

Decision No. 55774 states , in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member if a limited liability company or the sole proprietor, if a sole proprietorship.

B. Kent Turner
SIGNATURE

5/14/2003
DATE

B. Kent Turner
PRINTED NAME

Vice President
TITLE

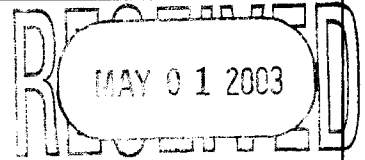
PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$244,176.93

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

W-01303A

ARIZONA CORPORATION
COMMISSIONVERIFICATION
AND
SWORN STATEMENTIntrastate Revenues Only

VERIFICATION

Director of Utilities

STATE OF _____ Arizona

COUNTY OF (COUNTY NAME)

Santa Cruz, Maricopa and Mohave

NAME (OWNER OR OFFICIAL) TITLE

I, THE UNDERSIGNED

COMPANY NAME

OF THE

Arizona American Water Company (Sewer)

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 11,597,934

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

B. Kent Danner
SIGNATURE OF OWNER OR OFFICIAL
619-409-7703
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

COUNTY NAME

MONTH

20

(SEAL)

MY COMMISSION EXPIRES _____

SIGNATURE OF NOTARY PUBLIC

SEE ATTACHED NOTARIZATION

Entered
5/1/03
C.M.
(300 minutes)
do updated
C.M.

JURAT WITH AFFIANT STATEMENT

State of CALIFORNIA
County of SAN DIEGO } ss.

- ✓ See Attached Document (Notary to cross out lines 1–8 below)
See Statement Below (Lines 1–7 to be completed only by document signer[s], *not* Notary)

[A large diagonal line is drawn across the area where the statement would be written.]

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

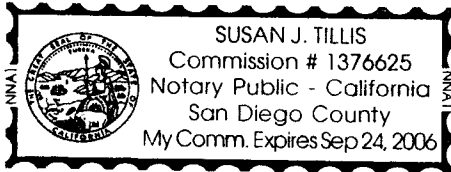
Subscribed and sworn to (or affirmed) before

me this 30th day of April,
Date Month

2003, by
Year

(1) B. KENT TURNER
Name of Signer(s)

(2) _____
Name of Signer(s)



Place Notary Seal Above

Susan J. Tillis
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: AZ Verification (11,599,934)

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT
OF SIGNER #1

Top of thumb here

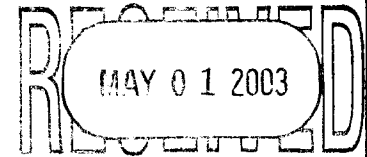
RIGHT THUMBPRINT
OF SIGNER #2

Top of thumb here

VERIFICATION
AND
SWORN STATEMENT

RESIDENTIAL REVENUE
Intrastate Revenues Only

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF(COUNTY NAME)

Santa Cruz, Maricopa and Mohave

NAME (OWNER OR OFFICIAL) TITLE

COMPANY NAME

Arizona American Water Company (Sewer)

Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS,
PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED
THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT
STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD
COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING
SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01
ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS
OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS
RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 8,084,475

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

619-409-7703

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

NOTARY PUBLIC NAME

COUNTY NAME

MONTH

20

(SEAL)

SIGNATURE OF NOTARY PUBLIC.

SEE ATTACHED NOTARIZATION

MY COMMISSION EXPIRES

JURAT WITH AFFIANT STATEMENT

State of CALIFORNIA }
County of SAN DIEGO } ss.

- ★ See Attached Document (Notary to cross out lines 1–8 below)
See Statement Below (Lines 1–7 to be completed only by document signer[s], *not* Notary)

[A large diagonal line is drawn across the body of the document, indicating that the attached document is to be used instead of the statement below.]

Signature of Document Signer No. 1

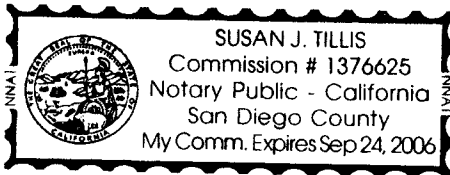
Signature of Document Signer No. 2 (if any)

Subscribed and sworn to (or affirmed) before

me this 30th day of APRIL,
Date Month
2003, by
Year

(1) B. KENT TURNER
Name of Signer(s)

(2) _____
Name of Signer(s)



Place Notary Seal Above

Susan J. Tillis
Signature of Notary Public

OPTIONAL

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Further Description of Any Attached Document

Title or Type of Document: A2 Verification (8,084,475)

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT
OF SIGNER #1

Top of thumb here

RIGHT THUMBPRINT
OF SIGNER #2

Top of thumb here

SEE WATER UTILITY
ANNUAL REPORT
FILE FOR
PROPERTY TAX
INFORMATION